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ONASSIS, ARISTOTLE
CIA 4.01 Oil Companies

Oil Firms Aided By CIA in Action Against Onassis

By Norman Kempster
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The Senate Intelligence Committee has learned the CIA played a secret role in an effort by U.S. oil companies to break a rich shipping contract which Aristotle Onassis negotiated with Saudi Arabia.

Robert Maheu, whose ties with the intelligence community go back to World War II, testified that he worked closely with the CIA in a complex international campaign to undermine the deal between Onassis and King Saud.

Maheu said his techniques included planting a hidden microphone in a room occupied by Onassis and using an Italian newspaper secretly owned by the CIA to float stories damaging to the Greek tycoon.

Although the action took place more than 20 years ago, the CIA's part in it has never been disclosed. The Intelligence Committee hinted at the story in a footnote to its assassination report last month, but the lawmakers decided to withhold most of the details.

MAHEU TESTIFIED for more than five hours to a closed-door committee session July 30. The transcript has never been released.

A committee aide said the campaign against Onassis was considered only tangential to the assassination investigation. He said the committee might give additional consideration to the events when it probes the CIA's use of newspapers and other communications media.

According to the assassination report, Maheu testified that he "provided impetus for termination of the (Onassis) contract by publicizing its terms in a Rome newspaper which he said he had been purchased with CIA funds." The newspaper was not named, but the committee has learned that the CIA purchased several newspapers in Italy, France and Germany following World War II.

In addition to revealing secret CIA participation in the effort to break the contract, the incident provides a case study of Maheu's method of operation. Although never an acknowledged CIA official, Maheu performed a variety of tasks for the agency, serving as the go-between who recruited mobsters Sam Giancana and John Roselli for a series of plots on the life of Cuban Premier Fidel Castro.

The committee concentrated on Maheu's participation in the Castro plot, treating other matters only as side issues or footnotes. But the report makes it clear that Maheu frequently made use of his relationship with the CIA, sometimes capitalizing on it for his own private benefit.

THE REPORT said, "Maheu subsequently drew on his involvement with the CIA to avoid testifying before Sen. Edward Long's committee investigating invasions of privacy in 1966. According to the (CIA) inspector general's report, when Maheu learned that the committee intended to call him, he exerted pressure on the agency in a variety of ways — suggesting that publicity might expose his past sensitive work for CIA... the Long committee did not call Maheu to testify."

The committee's report did not mention Onassis by name. But sources outside of the committee identified Onassis as the person involved. This was subsequently confirmed by a committee source.

The Onassis story involves several of the world's richest men and some of its most powerful corporations. The main characters are Onassis, the late business magnate who married President John F. Kennedy's widow and enjoyed the friendship of powerful men like Kennedy and Winston Churchill, Saud, the playboy monarch of Saudi Arabia in the 1950s when that nation was just beginning to realize the potential of its vast oil reserves; and Stavros Niarchos, Onassis' brother-in-law and arch-rival for mastery of Greek shipping and other business interests.

Maheu's part also raises the suspicion that Howard Hughes may have played at least a passive role. Maheu became known as an associate of Hughes shortly after the Onassis story had run its course. Hughes is also known to have close ties with the CIA.

MAHEU BROKE with Hughes in 1970 after serving as a top aide for more than a decade. The men are now apparently bitter foes. Maheu recently won a \$12 million libel judgment against Hughes. Hughes appealed the decision and the matter is before the 9th U.S. Circuit Court.

In 1954 Onassis and Saud signed a contract which gave Onassis a virtual monopoly in transporting Saudi oil in exchange for creating a shipping company which would, in effect, serve as the merchant marine of the desert nation.

The pact was opposed by Aramco — the firm owned by Exxon, Standard of California, Texaco and Mobil, which then dominated Saudi oil production — and Niarchos.

Aramco was concerned that the Onassis contract was intended to clear the way for Saud to nationalize oil production and, in the meantime, would divert cargo away from ships owned by the firm's four parent companies. Niarchos was opposed to any deal that would extend Onassis' power, influence and wealth.

Niarchos hired Maheu as a combination private detective and public relations man to oppose the Onassis deal.

The Onassis contract was canceled in 1955.

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